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Comptroller General
of the United States

Accessible Version

June 28, 2022

The Honorable Kiran A. Ahuja
Director
Office of Personnel Management
1900 E Street, NW
Washington, DC 20415-1000

Priority Open Recommendations: Office of Personnel Management

Dear Ms. Ahuja:

The purpose of this letter is to provide an update on the overall status of the Office of Personnel Management's (OPM) implementation of GAO's recommendations and to call your personal attention to areas where open recommendations should be given high priority.¹ In November 2021, we reported that, on a government-wide basis, 76 percent of our recommendations made 4 years ago were implemented.² OPM's recommendation implementation rate was about 56 percent. As of May 2022, OPM had 68 open recommendations. Fully implementing these open recommendations could significantly improve both OPM's operations and its efforts to assist federal agencies in addressing various human capital management issues.

Since our July 2021 letter, OPM has implemented two of our 14 open priority recommendations.

- OPM gathered and tracked government-wide data on the use of Title 5 special payment authorities to recruit and retain certain employees, as we recommended in December 2017.³ OPM also obtained agencies' input on changes needed to improve the effectiveness of the authorities. OPM said it used this information to address staffing difficulties by, for example, proposing legislation in March 2022 to raise the limit on special payment rates in situations where the market pay for high-skilled positions is substantially above the current pay limits.
- OPM also developed and implemented role-based training requirements for staff who use Continuous Diagnostics and Mitigation tools intended to monitor the security of an agency's information systems, as we recommended in our August 2017 report.⁴

¹Priority open recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or fragmentation, overlap, or duplication issue.

²GAO, *Performance and Accountability Report Fiscal Year 2021*, [GAO-22-4SP](#) (Washington, D.C.: Nov. 15, 2021).

³GAO, *Federal Pay: Opportunities Exist to Enhance Strategic Use of Special Payments*, [GAO-18-91](#) (Washington, D.C.: Dec. 7, 2017).

⁴GAO, *Information Security: OPM Has Improved Controls, but Further Efforts Are Needed*, [GAO-17-614](#) (Washington, D.C.: Aug. 3, 2017).

We ask your continued attention to the remaining priority recommendations. We are also adding two new priority recommendations related to improving OPM's payroll data system and one new priority recommendation related to strengthening IT security and management. This brings the total number of priority recommendations to 15. (See enclosure for the list of recommendations and actions needed to implement them.)

The 15 priority recommendations fall into the following five areas.

Improving the federal classification system.

Questions have been raised about the General Schedule's (GS) ability to keep pace with the evolving nature of government work. Implementing one priority recommendation to examine ways to make the GS system's design and implementation more consistent with the attributes of a modern, effective classification system could help OPM better position itself to help ensure that the federal classification system is keeping pace with the government's evolving requirements.

Making hiring authorities more effective.

To ensure agencies have the talent they need to meet their missions, federal agencies must have a hiring process that is applicant-friendly and flexible while meeting policy requirements, such as hiring on the basis of merit. By implementing one priority recommendation to refine, consolidate, or expand hiring authorities, OPM could improve the federal hiring process and strengthen the government's ability to compete in the labor market for top talent.

Improving payroll data.

OPM is responsible for supporting federal agencies' human capital management activities, which includes ensuring that agencies have the data needed to make staffing and resource decisions to support their missions. The Enterprise Human Resources Integration (EHRI) system is OPM's primary data warehouse to support these efforts. Implementing the four open priority recommendations related to improving EHRI payroll data would help support OPM's strategic and open data goals by improving the availability of these data for analysis, improving the reliability of the data to support the analysis, and enhancing the analysis by leveraging other EHRI data.

Addressing employee misconduct and improving performance management.

OPM has a role in ensuring that agencies have the tools and guidance they need to effectively address misconduct and maximize the productivity of their workforces. Implementing one priority recommendation related to improving OPM's guidance would help agencies more effectively address employee misconduct and maximize the productivity of the workforce.

Additionally, managing employee performance has been a long-standing government-wide issue and the subject of numerous reforms since the beginning of the modern civil service. Without effective performance management, agencies risk losing the skills of top talent and missing the opportunity to effectively address increasingly complex and evolving mission challenges. OPM could help inform agencies' decision-making related to performance management by implementing two performance management-related priority recommendations to develop and implement a mechanism for agencies to share information, and to develop a strategic approach for identifying and sharing emerging research and innovations.

Strengthening IT security and management.

OPM collects and maintains personal information on millions of individuals, including sensitive security clearance data. Protecting this sensitive information is imperative. Implementing the six priority recommendations in this area, such as establishing a process for conducting cybersecurity risk assessments, is critical for ensuring that OPM can effectively protect and manage sensitive information that it collects as the chief human resources agency and personnel policy manager for the federal government.

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In March 2021, we issued our biennial update to our [High-Risk List](#), which identifies government operations with vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.⁵ OPM has oversight responsibility for one of our high-risk areas, [strategic human capital management](#).

Several other government-wide high-risk areas also have direct implications for OPM and its operations. These include (1) the [government-wide personnel security clearance process](#), (2) [ensuring the cybersecurity of the nation](#),⁶ (3) [improving the management of IT acquisitions and operations](#), and (4) [managing federal real property](#). We urge your attention to the OPM and other government-wide high-risk issues as they relate to OPM. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including within OPM. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁷

Copies of this letter are being sent to the Office of Management and Budget Director and to the appropriate congressional committees, including the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available on the GAO website at <http://www.gao.gov>.

I appreciate OPM's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Michelle Sager, Managing Director, Strategic Issues, at 202-512-6806 or SagerM@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter. Our teams will continue to coordinate with your staff on all of the 68 open recommendations, as well as those additional recommendations in the high-risk areas for which OPM has a leading role. Thank you for your attention to these matters.

Sincerely yours,

⁵GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

⁶With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: *GAO, Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

⁷GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a large, prominent "D" and a long horizontal flourish extending to the right.

Gene L. Dodaro
Comptroller General
of the United States

Enclosure – 1

cc: The Honorable Shalanda Young, Director, Office of Management and Budget
The Honorable Margaret Pearson, Associate Director, Retirement Services, OPM

Enclosure -- Priority Open Recommendations to the Office of Personnel Management (OPM)

Improving the Federal Classification System

Human Capital: OPM Needs to Improve the Design, Management, and Oversight of the Federal Classification System. [GAO-14-677](#). Washington, D.C.: July 31, 2014.

Recommendation: To improve the classification system and to strengthen OPM's management and oversight, the Director of OPM, working through the Chief Human Capital Officer (CHCO) Council, and in conjunction with key stakeholders such as the Office of Management and Budget (OMB), unions, and others, should use prior studies and lessons learned from demonstration projects and alternative systems to examine ways to make the General Schedule (GS) system's design and implementation more consistent with the attributes of a modern, effective classification system. To the extent warranted, develop a legislative proposal for congressional consideration.

Action needed: Although OPM originally partially agreed with this recommendation, it later reported that it concurred with the recommendation. In March 2022, OPM reported it continues to work with federal agencies by providing classification technical assistance and updating and establishing classification-related policy. However, OPM reported that it would need funding to establish a commission to review the GS system and to develop any legislative proposals in response to this recommendation. Regardless of the approach, to fully implement the recommendation, OPM still needs to work through the CHCO Council and in conjunction with key stakeholders, such as OMB and unions, to complete its review of studies and lessons learned. If warranted, OPM also needs to develop a legislative proposal to make the GS system's design and implementation more consistent with the attributes of a modern, effective classification system. These actions could help OPM better position itself to ensure that the federal classification system is keeping pace with the government's evolving requirements.

High-risk area: [Strategic Human Capital Management](#)

Director: Alissa H. Czyz, Strategic Issues

Contact information: CzyzA@gao.gov, (202) 512-6806

Making Hiring Authorities More Effective

Federal Hiring: OPM Needs to Improve Management and Oversight of Hiring Authorities. [GAO-16-521](#). Washington, D.C.: August 2, 2016.

Recommendation: To help strengthen the government's ability to compete in the labor market for top talent and to improve the federal hiring process, the Director of OPM, in conjunction with the CHCO Council, should use this information to determine whether opportunities exist to refine, consolidate, eliminate, or expand agency-specific authorities to other agencies and implement changes where OPM is authorized, including seeking presidential authorization (as necessary) in order to do so. In cases where legislation would be necessary to implement changes, OPM should work with the CHCO Council to develop legislative proposals.¹

Action needed: OPM agreed with this recommendation. In March 2022, OPM reported that it is evaluating the availability and use of hiring authorities by leveraging data to identify

¹The information to which this recommendation refers provides insight into why agencies relied on hiring authorities that OPM oversees; the relationship between agencies' choices and the agency mission and broader public goals, consistent with merit systems principles; and insight agencies may have regarding their authorities or processes, as stated in recommendation 1 of [GAO-16-521](#).

opportunities to streamline federal hiring regulations and improve guidance to agencies so they can better meet their talent acquisition needs. To fully implement this recommendation, OPM needs to prioritize and follow through on its planned actions to streamline hiring authorities and, as appropriate, develop legislative proposals in consultation with the CHCO Council. By doing so, OPM could improve the federal hiring process and strengthen the government's ability to compete in the labor market for top talent.

High-risk area: [Strategic Human Capital Management](#)

Director: Alissa H. Czyz, Strategic Issues

Contact information: CzyzA@gao.gov, (202) 512-6806

Improving Payroll Data

Federal Human Resources Data: OPM Should Improve the Availability and Reliability of Payroll Data to Support Accountability and Workforce Analytics. [GAO-17-127](#). Washington, D.C.: October 7, 2016.

Recommendations: The Director of OPM should take the following four actions:

1. Improve the availability of the Enterprise Human Resources Integration (EHRI) payroll data-- for example, by preparing the data for analytics, making them available through online tools such as FedScope, and including them among the EHRI data sources on the OPM website and Data.gov.
2. Consistently monitor system-generated error and edit check reports and ensure that timely action is taken to address identified issues.
3. Develop a schedule for executing these plans.²
4. Evaluate existing internal control activities and develop new control activities for EHRI payroll data, such as implementing transactional edit checks that leverage the information in the other EHRI datasets.

Action needed: OPM agreed with these recommendations. For the first recommendation, OPM told us in March 2022 that its Office of Human Capital Data Management and Modernization intends to develop a plan in the third quarter of fiscal year 2022 that will address relational edits, harmonize payroll data standards, and incrementally address data quality concerns—a step OPM believes is necessary before making the data more available. To fully address this recommendation, OPM needs to develop and implement this plan and improve the availability of EHRI data.

For the second recommendation, OPM described some of the data quality reports it sends to providers, such as the number of rejected records and explanation of any edits that failed. However, OPM has not taken action to monitor system-generated error reports and ensure timely action is taken to address identified issues. In fiscal years 2020 and 2021, only 11 of 468 data quality reports resulted in corrections, and OPM noted it does not follow up directly with providers about errors and rejected data. To fully implement this recommendation, OPM needs to consistently monitor these data quality reports and ensure timely action is taken to correct identified issues, such as by contacting providers directly about errors.

With respect to the third recommendation, which we elevated to priority status this year, OPM officials stated that payroll data are already a component of the larger suite of EHRI databases that resides in the EHRI data warehouse instance. However, OPM has not functionally integrated payroll with other EHRI databases and has not developed a schedule for implementing plans to do so. Integration of EHRI databases relates to more than just where the data are warehoused. It requires implementation of processes described in the three other EHRI

²This recommendation refers to OPM officials' original statement that they planned to address the shortcomings raised in each of our recommendations in [GAO-17-127](#).

recommendations, and a schedule for execution of those processes is critical for ensuring implementation of our recommended data reliability and availability efforts. To fully implement this recommendation, OPM needs to complete the recommended plans and develop a schedule for executing these plans.

For the fourth recommendation, which we elevated to priority status this year, OPM officials said they have not updated control activities for payroll data to include transactional edit checks that draw from other EHRI databases. However, they said they have begun to implement new control activities, including nearly 250 new validation edits for EHRI payroll data. They also said that edit development is to be part of their overall improvement plan. In March 2022, OPM officials told us that they had conducted a visual review and inspection of payroll data elements to identify fields that might have an edit-based relationship to other EHRI datasets. Based on this review, OPM determined that existing edits used for other parts of EHRI would not be useful in supporting EHRI payroll reliability.

We continue to believe that OPM may be missing opportunities to leverage other EHRI data for edit controls. OPM officials have agreed with this position in prior years. This includes but is not limited to fields in the EHRI Human Resources Data feed, such as (1) full-time and part-time status, (2) time in service, and (3) telework eligibility, which could be assessed as potential relational checks for elements of the payroll data. Such payroll data checks could include the (1) total hours an employee charges in a pay period and use of compensatory time or overtime, (2) accrual of annual and sick leave, and (3) use of situational and routine telework.

In May 2022, OPM officials told us they were building a remote work/telework variable in EHRI to better understand the impact of remote work and telework flexibilities with regard to attrition, hiring, and employee movement by occupation and agency, which OPM anticipates will be available in the first half of fiscal year 2023. However, OPM has not finalized its overall approach to updating controls. To fully implement this recommendation, OPM needs to finish updating control activities, including evaluating opportunities to leverage other EHRI datasets to improve integration and data quality. Implementing these four recommendations would help OPM support its strategic and open data goals.

Director: Rebecca Shea, Forensic Audits and Investigative Service

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Addressing Employee Misconduct and Improving Performance Management

Federal Employee Misconduct: Actions Needed to Ensure Agencies Have Tools to Effectively Address Misconduct. [GAO-18-48](#). Washington, D.C.: July 16, 2018.

Recommendation: The Director of OPM, after consultation with the CHCO Council, should provide guidance to agencies to enhance the training received by managers/supervisors and human capital staff to ensure that they have the guidance and technical assistance they need to effectively address misconduct and maximize the productivity of their workforces.

Action needed: OPM partially agreed with this recommendation. In March 2022, OPM stated it had obtained funding to update related training courses, which would include guidance on addressing employee misconduct. OPM reported that it is reviewing and updating existing training materials and that it is testing one course and determining the appropriate system for agencies to access the overall training. OPM stated the first training will be made available to agencies in late 2022, at the earliest. To fully implement this recommendation, OPM needs to complete its update of guidance on training supervisors and human capital staff on addressing federal employee misconduct and make this information available to agencies. Implementing this recommendation would enhance the guidance and technical assistance needed to effectively address misconduct and maximize the productivity of the workforce.

High-risk area: [Strategic Human Capital Management](#)

Director: Alissa H. Czyz, Strategic Issues
Contact information: CzyzA@gao.gov, (202) 512-6806

Federal Workforce: Opportunities Exist for OPM to Further Innovation in Performance Management. GAO-19-35. Washington, D.C.: November 20, 2018.

Recommendations: The Director of OPM, in consultation with the CHCO Council, should take the following two actions:

1. Develop and implement a mechanism for agencies to routinely and independently share promising practices and lessons learned, such as through allowing agencies to post such information on OPM's Performance Management portal.
2. Develop a strategic approach for identifying and sharing emerging research and innovations in performance management.

Action needed: OPM agreed with these recommendations. In March 2022, OPM reported that its Senior Executive Services and Performance Management team included a new quarterly survey in their Executive Resources forums requesting agencies to share any promising practices and lessons learned. However, OPM told us that the response rate to the quarterly survey was low and did not provide any results. In addition, OPM stated that it requested agencies to share promising practices and lessons learned during its annual Performance Management forum but did not receive comments in response. OPM said that it is trying to determine whether the agency can use an available tool to share successful work practices. OPM also said that due to agency vacancies and a focus on other priorities, it has not made substantive progress on establishing a strategic partnership to produce emerging research and innovations in performance management. However, OPM stated that planned hires being made in 2022 will allow the agency to apply resources to finalizing its strategy. To fully implement these recommendations, OPM needs to develop and implement a mechanism that encourages agency stakeholders to share promising practices and lessons learned. OPM also needs to develop a strategic approach for identifying and sharing emerging research and innovations in performance management. These actions would help inform agencies' decision-making related to performance management.

High-risk area: [Strategic Human Capital Management](#)

Director: Alissa H. Czyz, Strategic Issues
Contact information: CzyzA@gao.gov, (202) 512-6806

Strengthening IT Security and Management

Information Security: Agencies Need to Improve Controls over Selected High-Impact Systems. GAO-16-501. Washington, D.C.: May 18, 2016.

Recommendation: The Director of OPM should provide and track specialized training for all individuals, including contractors, who have significant security responsibilities.³

Action needed: OPM partially agreed with this recommendation. In March 2022, OPM stated it had completed a pilot to support the automated tracking of specialized security training for appropriate roles and individuals. OPM said the results of this pilot are in progress. OPM expects that this will supplement existing mechanisms and plans to provide evidentiary documentation by the end of the fiscal year. To fully implement this recommendation, OPM needs to complete its efforts to provide and track training for federal employees with significant security responsibilities. The agency also needs to demonstrate that it has addressed the

³GAO-16-501 directed this recommendation to the Acting Director of OPM because there was no confirmed Director for the agency at the time of issuance.

tracking of specialized training for contractors through contractual requirements and oversight. Such actions would help ensure that personnel with significant security responsibilities have the appropriate information they need to protect their systems.

High-risk area: [Ensuring the Cybersecurity of the Nation](#)

Director: Jennifer R. Franks, Information Technology and Cybersecurity

Contact information: FranksJ@gao.gov, (404) 679-1831

Information Security: OPM Has Improved Controls, but Further Efforts Are Needed. GAO-17-614. Washington, D.C.: August 3, 2017.

Recommendation: To further improve security over personnel and other sensitive information at the agency, the Director of OPM should improve the timeliness of validating evidence associated with actions taken to address the U.S. Computer Emergency Readiness Team (US-CERT) recommendations.⁴

Action needed: OPM partially agreed with this recommendation. In March 2022, OPM stated it is not yet in a position to demonstrate that the remediation efforts have been implemented beyond information already shared with us. OPM is tracking progress of this recommendation in a plan of action and milestones, and officials said the steps needed to implement the recommendation are in progress. To fully implement this recommendation, OPM needs to validate the effectiveness of the actions taken to implement the remaining US-CERT recommendations. Implementing this recommendation will help OPM ensure that the actions taken have effectively mitigated vulnerabilities that can expose its systems to cybersecurity incidents.

High-risk area: [Ensuring the Cybersecurity of the Nation](#)

Director: Jennifer R. Franks, Information Technology and Cybersecurity

Contact information: FranksJ@gao.gov, (404) 679-1831

Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges. GAO-19-384. Washington, D.C.: July 25, 2019.

Recommendation: The Director of OPM should establish a process for conducting an organization-wide cybersecurity risk assessment.

Action needed: OPM agreed with this recommendation. In March 2022, OPM told us that it had begun to update its risk assessment process and cyber risk strategy. However, the agency noted that this project is on hold and will resume based on priorities. To fully implement this recommendation, OPM needs to resume its project and ensure that the process it implements aggregates information from across the agency to help consider the totality of risk derived from the operation and use of its information systems. Doing so could help OPM identify trends or prioritize investments in cybersecurity risk mitigation activities to target widespread or systemic risks to the organization and its systems.

High-risk area: [Ensuring the Cybersecurity of the Nation](#)

Director: Marisol Cruz Cain, Information Technology and Cybersecurity

Contact information: CruzCainM@gao.gov, (202) 512-5017

⁴GAO-17-614 directed this recommendation to the Acting Director of OPM because there was no confirmed Director for the agency at the time of issuance.

Federal Retirement: OPM Actions Needed to Improve Application Processing Times. GAO-19-217. Washington, D.C.: May 15, 2019.

Recommendation: The Associate Director of OPM's Retirement Services, working in coordination with the Chief Information Officer, should develop, document, and implement a Retirement Services IT modernization plan for initial project phases that is consistent with key aspects of IT project management, such as determining objectives, costs, and time frames for each initial phase.

Action needed: OPM partially agreed with this recommendation. In March 2022, OPM stated that it was developing a Retirement Services IT modernization plan that covered the first year of work on the Online Retirement Application and related projects. OPM also said that it plans to establish objectives and metrics to track progress on these projects. OPM plans to finalize its IT modernization plan by the end of June 2022 but said that implementing the plan will be an iterative, multiyear effort. To fully implement this recommendation, OPM needs to finalize its Retirement Services IT modernization plan for initial project phases; include objectives, cost estimates, and time frames in that plan, which could help measure progress in implementing the initiatives; and then implement the plan consistent with key IT project management practices. Implementing this recommendation would help OPM articulate a path forward in measurable terms and assess performance toward achieving its objectives.

Director: Yvonne Jones, Strategic Issues

Contact information: JonesY@gao.gov, (202) 512-6806

Information Technology: Agencies Need to Fully Implement Key Workforce Planning Activities. GAO-20-129. Washington, D.C.: October 30, 2019.

Recommendation: The Director of OPM should ensure that the agency fully implements each of the eight key IT workforce planning activities it did not fully implement.

Action needed: OPM agreed with this recommendation. In May 2020, OPM reported that the agency's Chief Information Officer and Human Resources office developed competency and staffing requirements for its IT staff based on findings from a workforce assessment. In March 2022, OPM reported that it has continued to develop an IT strategic workforce plan, which addresses one of the eight key IT workforce planning activities. Moreover, OPM reported that in fiscal year 2020, it identified and addressed a workforce gap. However, as of March 2022, the agency had not provided documentation of its competency requirements, nor of its efforts to identify and address the workforce gap. In addition, OPM did not provide a time frame for completion of the workforce plan.

To fully implement this recommendation, OPM needs to develop and implement a workforce planning process that addresses each of the eight key IT workforce planning activities. Doing so would provide OPM greater assurance that it has the IT staff with the necessary knowledge, skills, and abilities to support its mission and goals.

Acting Director: Dave Hinchman, Information Technology and Cybersecurity

Contact information: HinchmanD@gao.gov, (214) 777-5719

Information Management: Selected Agencies Need to Fully Address Federal Electronic Recordkeeping Requirements. GAO-20-59. Washington, D.C.: February 27, 2020.

Recommendation: The Director of OPM should establish a time frame to develop a plan to manage permanent electronic records.

Action needed: OPM agreed with this recommendation, which we elevated to priority status to emphasize the importance of ensuring that agencies move from paper-based management to

electronic management of records. As of March 2022, OPM reported that steps were being taken to manage all of its permanent records in an electronic format. OPM stated that the agency was in the process of procuring a contract that will, among other things, help OPM maintain all permanent records electronically. To fully implement this recommendation, OPM will need to issue a plan or time frame on the management of permanent electronic records. Doing so could help better position OPM to manage its permanent electronic records.

Director: Marisol Cruz Cain, Information Technology and Cybersecurity

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